

Received & Inspected

OCT 28 2008

FCC Mail Room



PROCUREMENT & MATERIALS MANAGEMENT DEPARTMENT
1800 East 6th Street • Little Rock, AR 72202 • (501) 447-2260 • Fax: (501) 447-2261

October 24, 2008

Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Washington, DC 20554

Subject: Request for Review

CC Docket No. 02-6

Little Rock School District (LRSD) was denied funding on the E-Rate Form 471 Application #411490 by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC). The reason for the denial was stated as "This service provider has been debarred by the FCC and therefore is ineligible to participate in the program." LRSD appealed this decision to the SLD on June 13, 2007. This appeal was also denied by the SLD on August 28, 2008. The explanation reads as follows:

A review of your Form 471 application indicated that the services requested for the listed FRNs are to be provided by NextiraOne, LLC (SPIN 143004436). According to FCC06-126, NextiraOne, LLC is debarred from all activities associated with the E-Rate program. NextiraOne explained that for Funding Years 2004, 2005 and 2006, it has not submitted any bids to perform E-Rate services, has not performed any E-Rate services, and has not requested or received any E-Rate funds.

The service provider listed on your funding request has been debarred by the FCC and therefore is ineligible to participate in the program. USAC has denied all pending FRNs associated with the debarred SPIN. Consequently, your appeal is denied.

It is critical to note that LRSD entered into a multi-year contract with NextiraOne, LLC on January 17, 2001, with an expiration date of June 30, 2007. While NextiraOne, LLC may not have submitted any bids in Funding Year 2004, they certainly performed E-Rate services. LRSD paid NextiraOne, LLC for basic maintenance services for Funding Year 2004—2005.

No. of Copies rec'd _____
List ABCDE _____

LRSD was informed by NextiraOne that they would no longer participate in the E-Rate program because of an ongoing investigation of the company by USAC. Consequently, LRSD filed an Operational SPIN Change on August 25, 2005, with the SLD.

The information below is quoted from the FCC 06—126 File No. EB-06-IH-1392 in the matter of NextiraOne, LLC, Notice of Debarment.

On April 20, 2006, NextiraOne pled guilty to and was subsequently convicted of federal wire fraud in violation of 18 U.S.C. S 1343 for activities in connection with its participation in the E-Rate program with the Oglala Nation Education Coalition ("ONEC") schools on the Pine Ridge Reservation in South Dakota. The activities that led to NextiraOne's conviction took place from at least December 2000 to at least December 2002, and thus involved both NextiraOne and its predecessor, WCS. Among other things, NextiraOne or WCS: (1) falsely promised ONEC schools that they could participate in the E-Rate program for free; (2) guided ONEC in submitting E-Rate applications to USAC that contained non-competitive manufacturer "list" prices; (3) billed USAC for equipment specified that had not been delivered; and (4) billed USAC for an item not eligible for E-Rate support, and also made it appear that NextiraOne had billed ONEC for the non-discounted portion of equipment and services funded by E-Rate when in fact it had not. As a result of its fraudulent conduct, NextiraOne over-billed the E-Rate program in excess of \$1 million.

On April 28, 2006, consistent with the Commission's debarment rule, the Enforcement Bureau issued a notice immediately suspending NextiraOne from participating in the E-Rate program and initiating debarment proceedings against the company.

Accordingly, the FCC, pursuant to section 54.521 of the Commission's rules, 47 C.F.R. S 54.521, that NextiraOne, LLC., including its successors and assigns, IS DEBARRED from the schools and libraries universal service support mechanism for one year, effective August 24, 2006.

It is important to note that the 471 Application Number 411490 was for funding year 2004. NextiraOne pled guilty and was debarred by the FCC in 2006. (The charges of wire fraud did not involve the Little Rock School District or the NextiraOne employees who plead guilty and were convicted of wire fraud.)

Additionally, on April 28, 2004, Al Arauz, with the SLD, submitted a Selective Review Information Request to LRSD which included, but was not limited to, 471 Application Number 411490. LRSD provided all required documentation to Mr. Arauz on May 11, 2004. Mr. Arauz assured LRSD the requirements of the Selective Review had been met and our application was moved to the next review step.

LRSD filed the 471 Application Number 411490 on February 3, 2004. The Selective Review Information Request relating to Funding Year 2004 was issued on April 28, 2004 and documentation was provided on May 11, 2004.

Nowhere in the FCC 06—126 Notice of Debarment Order does it state that applicants should be denied funding based on the order. At the time of the LRSD Funding Request, NextiraOne was an approved E-rate service provider.

LRSD met all requirements of the application process and Selective Reviews conducted in multiple years that included applications where NextiraOne was our service provider. Previous applications relating to services provided by NextiraOne were funded by the SLD. It is also important to note that the services relating to Funding Year 2004 471 Application #411490 were performed prior to the debarment order issued in April 2006.

We ask that you reverse the original decision and fund these FRNs. Please contact me either at 501-447-2262 or darral.paradis@lrzd.org if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darral Paradis', with a long horizontal stroke extending to the right.

Darral Paradis
Director, Procurement